

REMARKS

Claims 1, 2, 5, 6, 8-10 and 13-16 are pending in the present application. By this response, claims 1, 5, 6, 9, and 13 are amended and claim 8 is canceled. Claims 1, 5, 6, 9, and 13 are amended for informalities pointed out in the Office Action. Reconsideration of the claims in view of the above amendments and the following remarks is respectfully requested.

I. Specification, Claims 1, 5, 9, and 13

The Office Action objects to the claims 1, 5, 9, and 13 as containing material which is not supported by the original disclosure. As to claims 1, 5, 9, and 13, containing the limitation "less than," the claims are amended to recite "but not greater." As to claim 13 containing the limitation "recording...the proxy bid as a second high bid" the claim is amended to recite "recording...the proxy bid as a current high bid." Support for this amendment to claim 13 may be found at least on page 17, lines 19-23 of the current specification. Thus, claims 1, 5, 9, and 13 have been amended to correct the minor informalities to overcome this objection.

II. Objection to Claims, Claims 8 and 13

The Office Action objects to claims 8 and 13 for containing minor informalities. By this response, claim 8 is canceled. Claim 13 is objected to because the limitation "the first bid" in line 5 has insufficient antecedent basis. Claim 13 is amended to recite "receiving...a first bid for said item from a first bidder wherein the first bid is a first high bid." Thus, claim 13 is amended to correct the minor informalities to overcome this objection.

III. 35 U.S.C. § 112, First Paragraph

The Office Action rejects claims 1, 2, 5, 6, 8, 9, 10, and 13-16 under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. This rejection is respectfully traversed.

As to claims 1, 5, 9, and 13, the Office Action states:

Claims 1, 5, 9, and 13 recite the limitation "less than". This limitation lacks proper written description support in the specification.

As discussed above, claims 1, 5, 9, and 13 are amended to recite "but not greater."

As to claim 13, the Office Action states:

Furthermore, claim 13 recites the limitation recites "recording...the proxy bid as a second high bid." This limitation lacks proper written description support in the specification.

As to claim 13 containing the limitation "recording...the proxy bid as a second high bid" the claim is amended to recite "recording...the proxy bid as a current high bid." Support for this amendment to claim 13 may be found at least on page 17, lines 19-23 of the current specification.

As to claims 1, 5, 9, 13, 14, and 16, the Office Action states:

Referring to claims 1, 5, and 9: The Applicants' specification discloses that if at least one proxy bid exists which meets or exceeds the bid placed by a first bidder then calculating a proposed bid is critical or essential to the practice of the invention for generating off-increment proxy bids (see specification page 8, line 24 – page 9, line 19; Figure 4B item "432"). An element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976). In the present case claims 1, 5, and 9 recite generating off-increment proxy bids that have at least one proxy bid which meets or exceeds the bid placed by a first bidder. However, these claims do not recite the critical or essential feature of calculating a proposed bid as required by the Applicants specification. Therefore these claims stand rejected as being based on a disclosure which is not enabling.

Referring to claim 13: This claim recites an embodiment that has no support in the specification. In particular, the claim is directed to an embodiment having a minimum increment, a first high bid, a proxy bid which is greater than the first high bid and less than the first high bid plus a minimum increment without the steps of generating an off-increment bid and calculating a proposed bid (see specification page 8, line 13 – page 9,

line 19). Since these claims do not recite critical or essential subject matter (i.e. generating an off-increment bid and calculating a proposed bid) necessary to practice the invention, they are deemed to be not enabled by the disclosure. An element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

Referring to claims 14-16: These claims recite the step of calculating a proposed bid. However, the Applicants' specification discloses that this step is performed only for the purpose of generating an "off-increment bid" (see specification page 8, line 13 – page 9, line 19). Since these claims do not recite critical or essential subject matter (i.e. generating an off-increment bid) necessary to practice the invention, they are deemed to be not enabled by the disclosure. An element or process critical or essential to the practice of the invention, but not included in the claim(s) is not enabled by the disclosure. See *In re Mayhew*, 527 F.2d 1229, 188 USPQ 356 (CCPA 1976).

Office Action dated August 17, 2005, pages 5-6.

Applicants respectfully submit that the Office Action clearly shows that Applicants specification enables the features of the invention as claimed. Furthermore, 35 U.S.C. § 112, first paragraph, is a rejection for elements in a claim that are not supported by a disclosure. In the present rejection, the Office Action is alleging that the disclosure provides ample support, but the claims do not include some arbitrary selected features from the disclosure. It is not a requirement that Applicants claim each and every feature described in the disclosure. Thus, Applicants respectfully request the rejection of claims 1, 2, 5, 6, 8, 9, 10, and 13-16 under 35 U.S.C. § 112, first paragraph, be withdrawn.

IV. 35 U.S.C. § 112, Second Paragraph

The Office Action rejects claims 5, 6, and 8 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter, which applicants regard as the invention. This rejection is respectfully traversed.

Claims 5 and 6 are amended for clarity by amending the claims to include the necessary components of the system in which the electronic auction operates. The system

recited in claims 5 and 6 may be a bus system comprised of system bus 206; communication system 210, memory comprised of memory 208 and local memory 209, and central processing unit 202 or 204 performing the steps described in the specification at page 14, line 21, to page 17, line 23, or equivalent. Therefore, Applicants request withdrawal of the rejection of claims 5 and 6 under 35 U.S.C. § 112, second paragraph.

V. 35 U.S.C. § 101

The Office Action rejects claims 5, 6, 8, 9, and 10 under 35 U.S.C. § 101 as being directed towards non-statutory subject matter. This rejection is respectfully traversed.

Claims 5 and 6 are amended to recite an electronic auction system for generating off-increment proxy bids. Claim 5 is further amended to recite a bus system; a communications system connected to the bus system; a memory connected to the bus system, wherein the memory includes a set of instructions; and a processing unit connected to the bus system.

The Office Action alleges that none of the previously recited features recite anything physical or tangible that would constitute an apparatus. Applicants respectfully submit that the set of instructions to identify, receive, identify and generate in claim 5 are instructions that are performed by the processing unit in the electronic auction system as now claimed. The claimed invention presents tangible results in that a reformatted page is presented.

Regarding claims 9 and 10, the Office Action alleges that these claims do not recite that the instruction means are executable by a processor. Claim 9 is amended to recite a computer readable medium in an electronic auction including computer usable program code for generating off-increment proxy bids." Applicants respectfully submit the amended claim is similar to the suggestion provided by the Office Action. Additionally, Applicants respectfully submit that computer usable program code is executable or usable, by a processor.

Therefore, Applicants respectfully submit that independent claims 5 and 9 are statutory. Since claims 6 and 10 depend from claims 5 and 9, they are statutory as well.

Thus, Applicants respectfully request withdrawal of the rejection of claims 5, 6, 9, and 10 under 35 U.S.C. § 101.

VI. 35 U.S.C. § 103, Alleged Obviousness

The Office Action rejects claims 1, 5, 9, and 13 under 35 U.S.C. § 103(a) as being unpatentable over Fisher et al. (U.S. Patent No.6,243,691 B1). This rejection is respectfully traversed.

As to claim 1, the Office Action states:

Referring to claim 1, Fisher teaches a method and system for generating proxy bids in an electronic auction comprising:

- specifying a minimum increment for bidding on an item (Figure 2; column 5, lines 63-65);
- receiving a bid for said item from a first bidder which is a current high bid for said item (Figure 2; col. 5, lines 61-65);
- identifying a previously recorded proxy bid from a bidder (column 8, line 56 – column 9, line 6); and
- generating by said electronic auction an bid which becomes a new high bid for said item utilizing said proxy bid, wherein said another bidder holds the new high bid for said item, further wherein said bid equals said bid received from said first bidder by said minimum increment, and wherein said equals said proxy bid (column 8, line 56 – column 9, line 6; column 12, lines 33-61).

Fisher does not explicitly teach that the proxy bid from a second bidder is in the range between the current high bid and the current high bid plus the minimum increment. However, Fisher teaches that a plurality of bidders are allowed to establish the limit amount of their proxy bids when the bids are initially placed (column 8, lines 56-60; column 12, lines 33-61). Furthermore, Fisher places no restrictions on the upper or lower boundaries of the limit price of the proxy bids. Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to allow a bidder to set the limit price of the proxy bid to whatever amount the bidder desired (e.g. greater than the current bid and less than current high bid plus minimum increment). One of ordinary skill in the art would have been motivated to do so in order to allow the bidder to place a bid that he or she felt was competitive. Fisher does not explicitly teach that the bid is an off-increment bid or that the bid "does not exceed" the first bid plus minimum increment or proxy bid. However, as already noted above, Fisher suggests these limitations because Fisher teaches that a plurality of bidders are allowed to establish the limit amount

of their proxy bids when the bids are initially placed (column 8, lines 56-60; column 12, lines 33-61). Furthermore, Fisher places no restrictions on the upper or lower boundaries of the limit price of the proxy bids. Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to allow a bidder to set the limit price of the proxy bid to whatever amount the bidder desired (e.g. greater than the current high bid and less than current high bid plus minimum increment). One of ordinary skill in the art would have been motivated to do so in order to allow the bidder to place a bid that he or she felt was competitive.

Office Action dated August 17, 2005, pages 8-10.

Claim 1, which is representative of the other rejected independent claims 5, 9, and 13 with respect to similarly recited subject matter, reads as follows:

1. A method in an electronic auction for generating off-increment proxy bids, said method comprising the computer implemented steps of:
specifying a minimum increment for bidding on an item;
receiving a bid for said item from a first bidder that is a current high bid for said item;
identifying a previously recorded proxy bid from a second bidder that is greater than said current high bid but not greater than said current high bid plus said minimum increment; and
generating by said electronic auction an off-increment bid that becomes a new high bid for said item utilizing said proxy bid, wherein said second bidder holds the new high bid for said item, further wherein said off-increment bid does not exceed said bid received from said first bidder by said minimum increment, and wherein said off-increment bid does not exceed said proxy bid.

Fisher fails to teach or suggest identifying a previously recorded proxy bid from a second bidder that is greater than said current high bid but not greater than said current high bid plus said minimum increment and generating by said electronic auction an off-increment bid that becomes a new high bid for said item utilizing said proxy bid, wherein said second bidder holds the new high bid for said item, further wherein said off-increment bid does not exceed said bid received from said first bidder by said minimum increment, and wherein said off-increment bid does not exceed said proxy bid.

Fisher is directed to conducting a multi-person, interactive auction, in a variety of formats, without using a human auctioneer to conduct the auction. The system allows a group of bidders to interactively place bids over a computer or communications network. Those bids are recorded by the system and the bidders are updated with the current

auction status information. When appropriate, the system closes the auction from further bidding and notifies the winning bidders and losers as to the auction outcome.

The Office action acknowledges that "Fisher does not explicitly teach that the proxy bid from a second bidder is in the range between the current high bid and the current high bid plus the minimum increment." The present rejection relies only on the fact that a plurality of bidders are allowed to establish the limit amount of their proxy bids when the bids are initially placed and that Fisher places no restrictions on the upper or lower boundaries of the limit price of the proxy bids. The presently claimed invention identifies a previously recorded proxy bid from a second bidder that is greater than said current high bid but not greater than said current high bid plus said minimum increment. Nowhere in Fisher is a minimum increment taught or suggested. Based on the Office Action's interpretation of Fisher, a bid is not restricted by any limits whatsoever. Thus, while a bid from a second bidder may fall between a current high bid and said current high bid plus said minimum increment, there is no system in Fisher to identify such a bid using such restrictions as recited in claim 1.

Furthermore, the description by Fisher to adjust a bid upward "using a percentage of the bid as opposed to a minimum increment" is insufficient to obviate the step of generating an off-increment bid by utilizing a proxy bid and is wholly insufficient to ensure that the off-increment bid is increased from the received bid by an amount not equal to the minimum increment. Absent some teaching, suggestion, or incentive to modify Fisher in this manner, the presently claimed invention can be reached only through an improper use of hindsight using the Applicants' disclosure as a template to make the necessary changes to reach the claimed invention.

Furthermore, Fisher does not teach, suggest, or give any incentive to make the needed changes to reach the presently claimed invention. Fisher actually teaches away from the presently claimed invention. For example, as noted by the Examiner, Fisher teaches a method to guarantee a proxy bidder the lowest possible price (column 12, lines 58-61) as opposed to a technique that enables off-increment proxy bids such that the deficiencies of prior art systems resulting in a seller being disadvantaged by selling an item for a lower price than that offered by a proxy bid when the proxy bid exceeds a high bid by an amount but not greater than a minimum auction increment, as in the presently

claimed invention. Absent the Examiner pointing out some teaching or incentive to implement off increment proxy bids by Fisher, one of ordinary skill in the art would not be led to modify Fisher to reach the present invention when the reference is examined as a whole.

In view of the above, Applicants respectfully submit that Fisher fails to teach or suggest all of the features of independent claims 1, 5, 9, and 13. At least by virtue of their dependency on claims 1, 5, 9, and 13, the specific features of claims 2, 6, 10, and 14-16 are not taught or suggested by Fisher. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 1, 2, 5, 6, 9-10, and 13-16 under 35 U.S.C. § 103.

VII. Conclusion

It is respectfully urged that the subject application is patentable over the prior art of record and is now in condition for allowance. The Examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the Examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

Respectfully submitted,

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